

June 17, 2013

VIA ECFS

Julie Veach, Chief, Wireline Competition Bureau
Carol Matthey, Deputy Chief, Wireline Competition Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

**Re: *Ex Parte* Filing on the CAF Phase I Incremental Support Program, WC
Docket No. 10-90**

Dear Ms. Veach and Ms. Matthey:

As the American Cable Association (ACA) and the National Cable & Telecommunications Association (NCTA) review the Commission's recent decision to authorize a second round of Connect America Fund (CAF) Phase I incremental support for 2013,¹ we note that there appears to be a gap in the reporting requirements that may undermine the Commission's objectives. Consistent with the Commission's general preference for public disclosure when the use of public funds is at issue,² the rules require that when electing support, a price cap local exchange carrier (LEC) identify the census blocks and wire centers where support will be used.³ This list of census blocks serves as the basis for the challenge process, whereby competitive providers can notify the price cap LEC and the Commission that those areas are in fact already being served. It also provides a basis for the Commission to hold the price cap LECs accountable for their use of government support.

ACA's and NCTA's concern is that price cap LECs are permitted at a later date to modify the list and deploy facilities in other census blocks without providing notice of the changes.⁴ Permitting such amendments without any public disclosure or review precludes the Commission and others from examining whether these areas are already served before CAF Phase I incremental support is spent, and does not allow the Commission to ensure that funds are spent accountably. Such an approach clearly undermines the Commission's objectives for the

¹ See *Connect America Fund*, Report and Order, WC Docket No. 10-90, FCC 13-73 (rel. May 22, 2013).

² See *id.*, ¶27.

³ See *id.*, ¶23.

⁴ See *id.*, ¶31 n.60 ("Under our existing rules, the census blocks listed in a recipient's Phase I election are merely a good faith statement of the recipient's initial intentions of where it plans to deploy broadband-capable infrastructure. The recipient is not bound by this list: a carrier is free to deploy to blocks not on the list and is free to not deploy to all blocks on the list.").

program and the balance between the interests of the price cap LECs and the public. We therefore urge the Commission to address this matter as soon as possible by requiring price cap LECs to publicly file any modifications to their CAF Phase I census block lists and giving interested parties an opportunity to respond before the price cap LEC is permitted to use incremental support in that area.

Respectfully submitted,

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